

April 25, 2014


MEMORANDUM

SUBJECT: Financial Assurance Review
Financial Test / Corporate Guarantee

Guarantor: Occidental Petroleum Corporation
Los Angeles, CA 90024

Owner/operator: Occidental Chemical Corporation
Dallas, TX 75244

Facility: 6200 South Ridge Road
Wichita, KS 67215
EPA ID No. KSD 007482029

FROM: Michael Lancaster 
Financial Analyst - SEE Grantee
AWMD/WEMM

TO: Brad Roberts
Project Manager
AWMD/WRAP

FINDINGS:

1. The amount of the current corrective action cost estimate (\$4,353,728) was adequately adjusted for inflation, as specified in 40 CFR §264.142(b).¹
2. The parent company, as the Guarantor, passes the Corporate Guarantee - Financial Test, Alternate II, as specified in 40 CFR §264.143(f).
3. It is recommended that the wording of both the CFO Letter and the written Corporate Guarantee be modified to include reference to corrective action.
4. Glenn Springs Holdings, a subsidiary of Occidental Petroleum Company, submitted the financial assurance documents. They request that the AWMD Director acknowledge the receipt of the documents in order to confirm Region 7's address. I have attached a sample draft of such a letter if you want to respond.

¹ Inflation Factor 1.015

RCRA



530336



Glenn Springs Holdings, Inc.

A Subsidiary of Occidental Petroleum Corporation

Stephen E. Fitzgerald
Senior Environmental Counsel
Phone: (972) 687-7515

5005 LBJ Freeway, Suite 1350
Dallas, TX 75244-6119
Fax: (713) 985-1371

April 4, 2014

Via Certified Mail and
Email: weber.rebecca@epa.gov

U.S. Environmental Protection Agency Region 7
RCRA Corrective Action and Permits Branch
11201 Renner Blvd.
Lenexa, Kansas 66219

Attn: Rebecca Weber, Director - Air and Waste Management Division

Re: Financial Assurance
Occidental Chemical Corporation
Wichita, Kansas 67215
EPA ID No. KSD 007 482 029

Dear Ms. Weber:

The enclosed letter from the Chief Financial Officer of Occidental Petroleum Corporation and Corporate Guarantee, together with the consolidated financial statements as of December 31, 2013 for Occidental Petroleum Corporation and Consolidated Subsidiaries and report of its independent public accountants, were mailed to U.S. EPA Region 7, 901 N. Fifth Street, Kansas City, Kansas 66101 on March 27, 2013 and returned undeliverable today. I am forwarding the enclosures to your attention and would appreciate your acknowledgement of receipt to confirm that this is the appropriate address for delivery.

If you have any questions, or if I can be of further assistance, please do not hesitate to contact me.

Respectfully,


Stephen E. Fitzgerald

Enclosures

cc: Brad Roberts, Environmental Scientist, via email (roberts.bradley@epa.gov)
Juan Somoano, Director Operations, via email (juan_somoano@oxy.com)



Glenn Springs Holdings, Inc.

A Subsidiary of Occidental Petroleum Corporation



Stephen E. Fitzgerald
Environmental Counsel
Phone: (972) 687-7515

5005 LBJ Freeway, Suite 1350
Dallas, TX 75244
Fax: 713-985-1371

March 27, 2014

Via Certified Mail

91 7199 9991 7032 5888 9587

U.S. Environmental Protection Agency
Region 7
Director, Air and Waste Management Division
RCRA Corrective Actions and Permitting Branch
901 N. Fifth Street
Kansas City, Kansas 66101

Re: Financial Assurance
Occidental Chemical Corporation
Wichita, Kansas 67215
EPA ID No. KSD 007 482 029

Dear Director:

The enclosed letter from the Chief Financial Officer of Occidental Petroleum Corporation is provided to demonstrate Occidental Petroleum Corporation's ability to utilize the corporate self-guarantee option to cover current cost estimates associated with operations at the Wichita Plant, which is operated by its subsidiary, Occidental Chemical Corporation.

You will find enclosed a copy of the consolidated financial statements as of December 31, 2013 for Occidental Petroleum Corporation and Consolidated Subsidiaries, together with the report of its independent public accountants, as included in the Annual Report.

If you have any questions, or if I can be of further assistance, please do not hesitate to contact me.

Respectfully,

Stephen E. Fitzgerald

Enclosures



OCCIDENTAL PETROLEUM CORPORATION

10889 WILSHIRE BOULEVARD
LOS ANGELES, CALIFORNIA 90024
TELEPHONE 310-443-6211
FACSIMILE 310-443-6686

CYNTHIA L. WALKER
EXECUTIVE VICE PRESIDENT
AND
CHIEF FINANCIAL OFFICER



March 26, 2014

Letter from Chief Financial Officer

U.S. Environmental Protection Agency, Region 7
Attention: Director, Air and Waste Management Division
RCRA Corrective Actions and Permitting Branch
901 N. Fifth St.
Kansas City, Kansas 66101

I am the chief financial officer of Occidental Petroleum Corporation, 10889 Wilshire Boulevard, Los Angeles, California 90024. This letter is in support of this firm's use of the financial test to demonstrate financial assurance for closure and/or post-closure costs, as specified in subpart H of 40 CFR parts 264 and 265.

1. This firm is the owner or operator of the following facilities for which financial assurance for closure or post-closure care is demonstrated through the financial test specified in subpart H of 40 CFR parts 264 and 265. The current closure and/or post-closure cost estimates covered by the test are shown for each facility:

None

2. This firm guarantees, through the guarantee specified in subpart H of 40 CFR parts 264 and 265, the closure or post-closure care of the following facilities owned or operated by the guaranteed party. The current cost estimates for the closure or post-closure care so guaranteed are shown for each facility:

Occidental Chemical Corporation	Corrective Action	\$ 4,353,728
Wichita, Kansas 67215		
EPA ID No. KSD007482029		
	Total	\$ 4,353,728

The firm identified above is the direct or higher-tier parent corporation of the owner or operator.

3. In States where EPA is not administering the financial requirements of subpart H of 40 CFR part 264 or 265, this firm, as owner or operator or guarantor, is demonstrating financial assurance for the closure or post-closure care of the following facilities through the use of a test equivalent or substantially equivalent to the financial test specified in subpart H of 40 CFR parts 264 and 265. The current closure and/or post-closure cost estimates covered by such a test are shown for each facility:

<u>Facility</u>	<u>Financial Assurance Required</u>	<u>Cost</u>
ALD 008 163 388 Mobile, Alabama Plant Site Occidental Chemical Corporation 1300 Jarvis Road Mobile, Alabama 36611		\$ 827,032
ALD 004 019 642 Muscle Shoals, Alabama Plant Site Occidental Chemical Corporation Wilson Dam Rd. Sheffield, Alabama 35660		\$ 4,299,566
CA4 170 024 414 27R Hazardous Waste Trench Unit Occidental of Elk Hills, Inc. 28590 Highway 119 Tupman, California 93276-1001		\$ 1,000,000
CAD 009 184 508 Occidental Chemical Corporation 16777 Howland Road Lathrop, California 95330		\$ 2,549,587
DED 003 913 266 Delaware City Plant Site Occidental Chemical Corporation 1657 River Road New Castle, Delaware 19720		\$ 818,897
DED 003 913 266 U.S. EPA Administrative Order on Consent Docket No. RCRA-03-2012-01 Occidental Chemical Corporation 1657 River Road New Castle, Delaware 19720		\$ 19,081,000
KSD007482029 (KDHE) Occidental Chemical Corporation 6200 South Ridge Road Wichita, Kansas 67215		\$ 2,935,077
LAD 981 054 075 Civil Action No. 04-2220 Consent Decree Highway 71/72 Refinery Site Bossier City, Bossier Parish, Louisiana		\$ 3,000,000
EPA ID No. LAD 092 681 824 Occidental Chemical Corporation Geismar, Louisiana 70734		\$ 1,127,375 \$ 8,704,600
AI 3544 / GD-093-0517 Permit Application P-0084 Occidental Chemical Corporation 7377 Hwy 3214 Convent, Louisiana 70723		\$ 848,811

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AI 1137 / GD-089-1288 Occidental Chemical Corporation 266 Highway 3142 Hahnville, Louisiana 70057 Permit Application P-0011	\$ 427,048
Permit Application P-0262	\$ 8,700,260
	\$ 787,843
Permit Application P-0264	\$ 2,120,509
	\$ 675,803
Civil Action No. JH-88-3655 Consent Decree Sand Gravel and Stone Superfund Site Elkton, Maryland	\$ 93,670
MID 006 014 906 Occidental Chemical Corporation U.S. EPA Administrative Order - Final Remedy Montague, Michigan	\$ 11,268,439
MSD 004 000 568 Mississippi Department of Environmental Quality Nashville Ferry Brownfield Agreement Site Nashville Ferry Road Columbus, Mississippi 39701	\$ 342,233
NJ ISRA No. 98439 Occidental Chemical Corporation 1804 River Road Burlington, New Jersey 08016	\$ 58,500
NJ ISRA No. 01-05-25-1327-46 Don Haug Site Bridgewater Township 358 Union Avenue Somerset, New Jersey 08807	\$ 60,000
NJ ISRA No. 86336 Occidental Chemical Corporation Former Diamond Shamrock Chemical 651 Tonnele Avenue Jersey City, New Jersey 07307	\$ 56,500
U.S. EPA Index No. 11-CERCLA-02-2010-2028 JIS Landfill Superfund Site Middlesex, New Jersey	\$ 1,062,480
NYD 980 506 810 102 nd Street Superfund Site Niagara Falls, New York 14302	\$ 1,000,000
NYD 002 920 312 Hooker Chemical/Ruco Polymer Superfund Site New South Road Hicksville, New York 11801	\$ 8,500,000

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NYD 000 824 482 Niagara Falls, New York Plant Site Occidental Chemical Corporation Buffalo Avenue & 47th Street Niagara Falls, New York 14302	\$ 31,980,192
OHD 003 913 308 Occidental Chemical Corporation 725 State Road Ashtabula, Ohio 44004	\$ 9,743,580
OHD 980 614 572 Fields Brook Superfund Site Ashtabula, Ohio 44004	\$ 135,283
OHD 990 747 859 Kenton, Ohio Plant Site Durez Corporation 13717 State Route 68 South Kenton, Ohio 43326	\$ 1,141,975
OKN 000 605 625 Former Empire Refinery Cushing, Oklahoma	\$ 3,000,000
PAD 002 334 753 Occidental Chemical Superfund Site Occidental Chemical Corporation Armand Hammer Boulevard Pottstown, Pennsylvania 91464	\$ 18,427,251
IDL 60-0055 Occidental Chemical Corporation Santa Fe Pike Columbia, Tennessee 38401	\$ 1,613,168 \$ 1,040,259
TN0001890839 Copper Basin Mining District Davis Mill Creek Watershed North Potato Creek Watershed Toccoa Street, HWY 68 Copperhill, Tennessee 37317	\$ 52,400,000
TN0001890839 Copper Basin Mining District Davis Mill Creek Watershed AOC - RI/FS Toccoa Street, HWY 68 Copperhill, Tennessee 37317	\$ 1,500,000
TXD 981 911 209 Deer Park, Texas Plant Site Oxy Vinyls, LP P.O. Box 500 Deer Park, Texas 77536	\$ 8,249,390

TXD 982 286 932
 Ingleside, Texas Plant Site
 Occidental Chemical Corporation
 Highway 361
 Gregory, Texas 78359

\$ 2,195,183

WAD 009 242 314
 Tacoma, Washington Plant Site
 OCC Tacoma, Inc.
 605 Alexander Avenue
 Tacoma, Washington 98421

\$ 8,022,742

EPA Docket No. 10-97-0011-CERCLA
 Occidental Site
 Tacoma, Washington 98421

\$ 3,500,000

Total

\$ 223,294,253

4. This firm is the owner or operator of the following hazardous waste management facilities for which financial assurance for closure or, if a disposal facility, post-closure care, is not demonstrated either to the EPA or a State through the financial test or any other financial assurance mechanism specified in Subpart H of 40 CFR Parts 264 and 265 or equivalent or substantially equivalent State mechanisms. The current closure and/or post-closure cost estimates not covered by such financial assurance are shown for each facility:

None

5. This firm is the owner or operator of the following UIC facilities for which financial assurance for plugging and abandonment is required under part 144. The current closure cost estimates as required by 40 CFR 144.62 are shown for each facility:

	<u>Closure</u>	<u>Post-Closure</u>	<u>Total</u>
Occidental Chemical Corporation UIC Class I Wells Wichita, Kansas EPA ID No. KSD007482029	\$687,572	\$0	\$ 687,572
Occidental Chemical Corporation UIC Class III Wells Wichita, Kansas EPA ID No. KSD007482029	\$901,340	\$0	\$ 901,340
Class III UIC Permit No. UIC3NY001 Dale Brine Field (various wells) Occidental Chemical Corporation 5005 LBJ Freeway Dallas, Texas 75244-6119	\$660,000	\$0	\$ 660,000
Class I Nonhazardous Waste Injection Permit #CA200002 Well Names: 25-18G and 35-18G Elk Hills Power, LLC P.O. Box 1001 Tupman, California 93276	\$200,000	\$0	\$ 200,000
Total			\$ 2,448,912

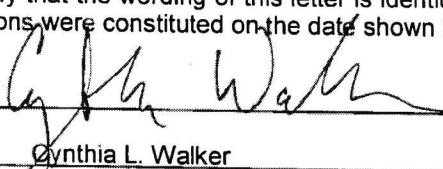
This firm is required to file a Form 10K with the Securities and Exchange Commission (SEC) for the latest fiscal year.

The fiscal year of this firm ends on December 31. The figures for the following items marked with an asterisk are derived from this firm's independently audited, year-end financial statements for the latest completed fiscal year, ended December 31, 2013.

ALTERNATIVE II

- | 1. Sum of current closure and post-closure cost estimates | \$ 230,096,893 | | | | | | | | | | |
|--|--|------------|-----------|-------------------------------------|---|---------------------------------------|---|--|---|--|---|
| 2. Current bond rating of most recent issuance of this firm and name of rating service | Standard & Poor's A
Moody's Investors Service A1 | | | | | | | | | | |
| 3. Date of issuance of bond | June 22, 2012 | | | | | | | | | | |
| 4. Date of maturity of bond | February 15, 2018
February 15, 2023 | | | | | | | | | | |
| *5. Tangible net worth | \$ 43,329,000,000 | | | | | | | | | | |
| *6. Total assets in U.S. (required only if less than 90% of firm's assets are located in the U.S.) | \$ 54,865,000,000 | | | | | | | | | | |
| | <table border="0"> <thead> <tr> <th style="text-align: center;"><u>YES</u></th> <th style="text-align: center;"><u>NO</u></th> </tr> </thead> <tbody> <tr> <td>7. Is line 5 at least \$10 million?</td> <td style="text-align: center;">X</td> </tr> <tr> <td>8. Is line 5 at least 6 times line 1?</td> <td style="text-align: center;">X</td> </tr> <tr> <td>*9. Are at least 90% of firm's assets located in the U.S.?
If not, complete line 10</td> <td style="text-align: center;">X</td> </tr> <tr> <td>10. Is line 6 at least 6 times line 1?</td> <td style="text-align: center;">X</td> </tr> </tbody> </table> | <u>YES</u> | <u>NO</u> | 7. Is line 5 at least \$10 million? | X | 8. Is line 5 at least 6 times line 1? | X | *9. Are at least 90% of firm's assets located in the U.S.?
If not, complete line 10 | X | 10. Is line 6 at least 6 times line 1? | X |
| <u>YES</u> | <u>NO</u> | | | | | | | | | | |
| 7. Is line 5 at least \$10 million? | X | | | | | | | | | | |
| 8. Is line 5 at least 6 times line 1? | X | | | | | | | | | | |
| *9. Are at least 90% of firm's assets located in the U.S.?
If not, complete line 10 | X | | | | | | | | | | |
| 10. Is line 6 at least 6 times line 1? | X | | | | | | | | | | |

I hereby certify that the wording of this letter is identical to the wording specified in 40 CFR 264.151(f) as such regulations were constituted on the date shown immediately below.

[Signature] 

[Name] Cynthia L. Walker

[Title] Executive Vice President & Chief Financial Officer

[Date] March 26, 2014



CORPORATE GUARANTEE FOR CLOSURE OR POST-CLOSURE CARE

Guarantee made this 26th day of March, 2014 by Occidental Petroleum Corporation, a business corporation organized under the laws of the State of Delaware, herein referred to as guarantor. This guarantee is made on behalf of the Occidental Chemical Corporation, of 5005 LBJ Freeway, Dallas TX 75244-6119, which is our subsidiary, to the United States Environmental Protection Agency (EPA).

RECITALS

1. Guarantor meets or exceeds the financial test criteria and agrees to comply with the reporting requirements for guarantors as specified in 40 CFR 264.143(f), 264.145(f), 265.143(e), and 265.145(e).
2. Occidental Chemical Corporation owns or operates the following hazardous waste management facility(ies) covered by this guarantee:

Occidental Chemical Corporation
6200 South Ridge Road
Wichita, Kansas 67215
EPA ID No. KSD007482029
3. "Closure plans" and "post-closure plans" as used below refer to the plans maintained as required by subpart G of 40 CFR parts 264 and 265 for the closure and post-closure care of facilities as identified above.
4. For value received from Occidental Chemical Corporation, guarantor guarantees to EPA that in the event Occidental Chemical Corporation fails to perform closure and post-closure care of the above facility(ies) in accordance with the closure and post-closure plans and other permit or interim status requirements whenever required to do so, the guarantor shall do so or establish a trust fund as specified in subpart H of 40 CFR part 264 or 265, as applicable, in the name of Occidental Chemical Corporation in the amount of the current closure or post-closure cost estimates as specified in subpart H of 40 CFR parts 264 and 265.
5. Guarantor agrees that if, at the end of any fiscal year before termination of this guarantee, the guarantor fails to meet the financial test criteria, guarantor shall send within 90 days, by certified mail, notice to the EPA Regional Administrator(s) for the Region(s) in which the facility(ies) is(are) located and to Occidental Chemical Corporation that he intends to provide alternate financial assurance as specified in subpart H of 40 CFR part 264 or 265, as applicable, in the name of Occidental Chemical Corporation. Within 120 days after the end of such fiscal year, the guarantor shall establish such financial assurance unless Occidental Chemical Corporation has done so.
6. The guarantor agrees to notify the EPA Regional Administrator by certified mail, of a voluntary or involuntary proceeding under Title 11 (Bankruptcy), U.S. Code, naming guarantor as debtor, within 10 days after commencement of the proceeding.
7. Guarantor agrees that within 30 days after being notified by an EPA Regional Administrator of a determination that guarantor no longer meets the financial test criteria or that he is disallowed from continuing as a guarantor of closure or post-closure care, he shall establish alternate financial assurance, as specified in subpart H of 40 CFR part 264 or 265 as applicable, in the name of Occidental Chemical Corporation unless Occidental Chemical Corporation has done so.
8. Guarantor agrees to remain bound under this guarantee notwithstanding any or all of the following: amendment or modification of the closure or post-closure plan, amendment or modification of the permit, the extension or reduction of the time of performance of closure or post-closure, or any other modification or alteration of an obligation of the owner or operator pursuant to 40 CFR part 264 or 265.

9. Guarantor agrees to remain bound under this guarantee for as long as Occidental Chemical Corporation must comply with the applicable financial assurance requirements of subpart H of 40 CFR parts 264 and 265 for the above-listed facilities, except as provided in paragraph 10 of this agreement.
10. Guarantor may terminate this guarantee by sending notice by certified mail to the EPA Regional Administrator(s) for the Region(s) in which the facility(ies) is(are) located and to Occidental Chemical Corporation, provided that this guarantee may not be terminated unless and until Occidental Chemical Corporation obtains, and the EPA Regional Administrator(s) approve(s), alternate closure and/or post-closure care coverage complying with 40 CFR 264.100, 264.101, 264.143, 264.145, 265.143, and/or 265.145.
11. Guarantor agrees that if Occidental Chemical Corporation fails to provide alternate financial assurance as specified in subpart H of 40 CFR part 264 or 265, as applicable, and obtain written approval of such assurance from the EPA Regional Administrator(s) within 90 days after a notice of cancellation by the guarantor is received by EPA Regional Administrator(s) from guarantor, guarantor shall provide such alternate financial assurance in the name of Occidental Chemical Corporation.
12. Guarantor expressly waives notice of acceptance of this guarantee by the EPA or by Occidental Chemical Corporation. Guarantor also expressly waives notice of amendments or modifications of the corrective action, closure and/or post-closure plan and of amendments or modifications of the facility permit(s).

I hereby certify that the wording of this guarantee is identical to the wording specified in 40 CFR 264.151(h) as such regulations were constituted on the date first above written, except for modifications as directed by the EPA.

Effective Date: March 26, 2014

[Name of guarantor]: Occidental Petroleum Corporation

[Authorized signature for guarantor]: *Cynthia L. Walker* **COPY**

[Name of person signing]: Cynthia L. Walker

[Title of person signing] Executive Vice President & Chief Financial Officer

Signature of witness or notary: *Victoria B. Smith*

